

AMENDED IN SENATE AUGUST 20, 2001

AMENDED IN SENATE APRIL 26, 2001

SENATE BILL

No. 1171

Introduced by Senator Scott

February 23, 2001

An act to amend Section 5285.6 of the Public Utilities Code, to amend Sections 595, 2525.4, 4150.1, 5902, 34505.1, 34505.6, ~~34505.9~~, 34506, 34507, 34507.5, 34620, 34621, 34623, and 40000.21 of, to amend, repeal, and add Sections 34501.12, 40000.22, and 40000.26 of, to add Sections 9400.2 and 34501.125 to, to repeal ~~Sections 34505.5 and 34505.9~~ *Section 34505.5* of, and to repeal and add Section 34515 of, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 1171, as amended, Scott. Motor carriers and commercial motor vehicles.

(1) *Existing provisions of the Public Utilities Code require the Public Utilities Commission, upon recommendation of the Department of the California Highway Patrol, and after a hearing, to suspend a household goods carrier's permit if the carrier has, among other things, failed to enroll all drivers in the required pull notice system, as defined.*

This bill would provide instead that failure to fully comply with, rather than failure to enroll all drivers in, the required pull notice system would result in exercise of the suspension authority. The bill would additionally provide that a household goods carrier who continues to employ as a driver a person against whom a disqualification action has been taken affecting that person's driving privileges is subject to suspension of the carrier's permit.

This bill would also add allowing or permitting a driver to continue driving a commercial motor vehicle after being notified that the driver has tested positive for controlled substances or alcohol use, or refused to test, in violation of federal regulations to the list of actions for which the Department of the California Highway Patrol would recommend suspensions and suspension would be required.

(2) Existing law defines various terms for purposes of the Vehicle Code, including “terminal.” Existing law also defines “maintenance facility or terminal” and “terminal” specifically for purposes of safety regulations applicable to designated vehicles.

This bill would revise the definition of “terminal” for purposes of the Vehicle Code. The bill would delete the definitions of “maintenance facility or terminal” and “terminal” from the provisions governing certain vehicle safety regulations.

~~(2)~~

(3) Existing law requires that the application for the original registration of, or the transfer of registration of, a commercial motor vehicle, include, among other things, a declaration by the owner of the awareness of certain safety regulations and a report regarding the gross vehicle weight of the vehicle.

This bill would delete the owner declaration requirement and revise the gross vehicle weight report requirement.

~~(3)~~

(4) Existing law requires a motor carrier of property to satisfy various requirements to operate a commercial motor vehicle on any public highway and requires the ~~California~~ Department of Motor Vehicles to issue a motor carrier permit upon compliance with those requirements.

Under existing law, in addition to vehicle registration fees, an annual fee based upon vehicle weight is imposed on commercial motor vehicles. Existing law specifies certain fees based upon a vehicle operated singly or in combination with a declared gross vehicle weight of 10,001 pounds or more.

This bill would add to the registration requirements of commercial motor vehicles subject to these latter fees by requiring that the registrant or lessee of the commercial motor vehicle provide to the department evidence of the possession of a motor carrier of property permit if one is required under existing law, and under certain circumstances, in addition, evidence of enrollment in the California Highway Patrol Motor Carrier Safety Program that would be established under the bill.



~~(4)~~

(5) Existing law specifies procedures for the inspection by the Department of the California Highway Patrol of every terminal of a motor carrier that operates designated vehicles. Existing law requires these motor carriers to submit an application and a specified fee per terminal. Existing law requires these motor carriers to designate one or more terminals in the state for vehicle inspection and vehicle and driver record inspection by the department.

This bill would provide that these provisions will be inoperative on or before January 1, 2003, as specified. The bill would require the department to establish and maintain a specified program for evaluating the safety performance of these motor carriers, which would be known as the California Highway Patrol Motor Carrier Safety Program, and to adopt certain regulations for this purpose, on or before January 1, 2003. The bill would require these motor carriers to submit annually a motor carrier safety evaluation program fee and submit to inspections as provided under the bill. The bill would provide that these provisions shall become operative on the effective date of regulations adopted by the department, or on January 1, 2003, whichever is earlier. The bill would make conforming changes to related provisions.

The bill would require these motor carriers to report to the department, in writing, the addresses of all terminals subject to inspection and provide designated notification to the department regarding address changes or cessation of regulated activity.

~~(5)~~

(6) Existing law requires that the department, upon determining that a tour bus operator has failed, as provided, to comply with certain Vehicle Code provisions or related regulations, recommend to the Public Utilities Commission, the Interstate Commerce Commission, or the federal Highway Administration Office of Motor Carriers, that certain actions be taken against the carrier's operating authority.

This bill would change the reference in these provisions from the Interstate Commerce Commission or the federal Highway Administration Office of Motor Carriers to the Federal Motor Carrier Safety Administration. This bill would make similar and related changes in other provisions of the Vehicle Code related to vehicle safety regulations enforced by the department.

~~(6)~~

This bill would also revise and add to the lists of actions, for which the Department of the California Highway Patrol makes



recommendations that certain actions be taken against the carrier, the same actions that are revised and added under (1) giving rise to suspensions.

(7) Existing law requires a motor carrier operating certain vehicles to require the vehicles for which it is responsible to be inspected at least every 90 days, with certain exceptions. Existing law authorizes certain ocean marine terminals to conduct the intermodal roadability inspection program in lieu of the inspection required by this provision.

This bill would repeal these provisions. The bill would make conforming changes to related provisions.

~~(7)~~

(8) *Under existing law, an ocean marine terminal that receives and dispatches intermodal chassis is authorized to conduct the intermodal roadability inspection program, in lieu of the inspection generally required, if the terminal meets certain conditions.*

This bill would require the described ocean marine terminal to conduct a revised intermodal roadability inspection of each chassis under revised conditions.

(9) Existing law requires that the department, upon determining that a motor carrier of property has failed, as provided, to comply with specified Vehicle Code provisions or related regulations, recommend to the Department of Motor Vehicles or the Federal Motor Carrier Safety Administration that certain administrative actions be taken against the carrier.

This bill would revise these provisions by adding to the grounds for which a recommendation is required that the carrier allowed or permitted a driver to continue driving a commercial motor vehicle after notice that the driver tested positive for controlled substance or alcohol use, or refused to test, in violation of certain federal regulations, and would make related changes to these provisions.

~~(8)~~

(10) Under existing law, the failure to comply with specified regulations of the Department of the California Highway Patrol is a misdemeanor.

This bill would make the failure to comply with the regulations of the department regarding the safe operation of a commercial motor vehicle with a gross vehicle weight rating of 26,001 *pounds* or more ~~pounds~~, or of any gross vehicle weight rating if it is towing a designated vehicle with a gross vehicle weight rating of more than 10,000 pounds, with certain exceptions, a misdemeanor, rather than an infraction.



(9)

(11) Existing law specifies requirements for the original application for, and the annual renewal of, a motor carrier of property permit.

This bill would add to those requirements for initial application that the motor carrier of property submit a certification from the ~~California~~ Department of the *California* Highway Patrol of compliance with certain safety planning and training requirements for motor carriers that would be established pursuant to this bill. This requirement would apply on and after the date regulations are adopted by the department as required by this bill, or on and after January 1, 2003, whichever is earlier.

(10)

(12) Under existing law, the ~~California~~ Department of the *California* Highway Patrol has exclusive jurisdiction for the regulation of safety of operation of motor carriers of property. Existing law authorizes the department to suspend a motor carrier of property permit for failure of the motor carrier of property to do certain things.

This bill would authorize, in addition, suspension if the carrier allowed or permitted a driver to continue driving a commercial motor vehicle after notice that the driver tested positive for controlled substance or alcohol use, or refused to test, in violation of certain federal regulations, and would make related changes to these provisions.

(11)

(13) Because violations of certain of the above reporting, inspection, fee, and vehicle operation requirements would be a crime under existing law, the bill would impose a state-mandated local program by creating new crimes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5285.6 of the Public Utilities Code is
2 amended to read:



1 5285.6. (a) (1) Upon receipt of a written recommendation
2 from the Department of the California Highway Patrol that the
3 permit of a household goods carrier be suspended for any of the
4 following, the commission, pending a hearing in the matter
5 pursuant to subdivision (d), shall suspend the carrier's permit:

6 (A) Failure to maintain any vehicle used in transportation for
7 compensation in a safe operating condition or to comply with the
8 Vehicle Code or with applicable regulations contained in Title 13
9 of the California Code of Regulations, if that failure is either a
10 consistent failure or presents an imminent danger to public safety.

11 (B) Failure to ~~enroll all drivers in~~ *fully comply with* the pull
12 notice system as required by Section 1808.1 of the Vehicle Code
13 *and the carrier continues to employ as a driver a person against*
14 *whom a disqualifying action has been taken affecting that person's*
15 *driving privilege.*

16 (C) Failure to submit any application or pay any fee required
17 by Section 34501.12 of the Vehicle Code within the timeframes set
18 forth in that section.

19 (D) *Allowed or permitted a driver to continue driving a*
20 *commercial motor vehicle after being notified that the driver has*
21 *tested positive for controlled substances or alcohol use, or refused*
22 *to test, in violation of the federal regulations referenced in Section*
23 *34520 of the Vehicle Code.*

24 (2) The written recommendation shall specifically indicate
25 compliance with subdivision (c).

26 (b) (1) A carrier whose permit is suspended pursuant to
27 subdivision (a) may obtain a reinspection of its terminal and
28 vehicles by the Department of the California Highway Patrol, by
29 submitting a written request for reinstatement to the commission
30 and paying a reinstatement fee of one hundred twenty-five dollars
31 (\$125).

32 (2) A carrier whose permit is suspended for failure to submit
33 any application or to pay any fee required by Section 34501.12 of
34 the Vehicle Code shall present proof of having submitted that
35 application or having paid that fee to the Department of the
36 California Highway Patrol before applying for reinstatement of
37 that permit.

38 (3) The commission shall deposit all reinstatement fees
39 collected pursuant to this subdivision in the Transportation Rate
40 Fund. The commission shall then forward a request for

reinspection to the Department of the California Highway Patrol which shall then perform a reinspection within a reasonable time or verify receipt of the application or fee, or both the application and fee. The commission shall reinstate a carrier's permit that is suspended under subdivision (a) promptly upon receipt of a written recommendation from the Department of the California Highway Patrol that the carrier's safety compliance has improved to the satisfaction of that department, or that the required application or fees have been received, unless the permit is suspended for another reason or has been revoked.

(c) Before transmitting a recommendation pursuant to subdivision (a) to the commission, the Department of the California Highway Patrol shall notify the household goods carrier in writing of all of the following:

(1) That the Department of the California Highway Patrol has determined that the carrier's safety record, or compliance with Section 1808.1 or 34501.12 of the Vehicle Code, is unsatisfactory, furnishing a copy of any documentation or summary of any other evidence supporting the determination.

(2) That the determination may result in a suspension or revocation of the carrier's permit by the commission.

(3) That the carrier may request a review of the determination by the Department of the California Highway Patrol within five days of its receipt of the notice required under this subdivision. If a review pursuant to this paragraph is requested by the carrier, the Department of the California Highway Patrol shall conduct and evaluate that review prior to transmitting any notification to the commission pursuant to subdivision (a).

(d) Whenever the commission suspends the permit of any household goods carrier pursuant to subdivision (a), the commission shall furnish the carrier written notice of the suspension and shall hold a hearing within a reasonable time, not to exceed 21 days, after a written request for a hearing is filed with the commission, with a copy of that written request furnished to the Department of the California Highway Patrol. At the hearing, the carrier shall show cause why the suspension should not be continued. At the conclusion of the hearing, the commission, in addition to any other penalty provided in this chapter, may terminate the suspension, continue the suspension in effect, or revoke the permit. The commission may revoke the permit of any

1 household goods carrier suspended pursuant to subdivision (a) at
2 any time 90 days or more after its suspension if the commission has
3 not received a written recommendation for reinstatement from the
4 Department of the California Highway Patrol and the carrier has
5 not filed a written request for a hearing with the commission.

6 (e) Notwithstanding subdivision (d), no hearing shall be
7 provided when the suspension of the permit is based solely upon
8 the failure of the household goods carrier to submit an application
9 or to pay fees required by Section 34501.12 of the Vehicle Code.

10 (f) If the commission, after a hearing, finds that a household
11 goods carrier has continued to operate as ~~such a household goods~~
12 carrier after its permit or permits have been suspended pursuant to
13 subdivision (a), the commission shall do one of the following:

14 (1) Revoke the operating permit or permits of the carrier.

15 (2) Impose upon the holder of the permit or permits a civil
16 penalty of not less than one thousand dollars (\$1,000) nor more
17 than five thousand dollars (\$5,000) for each day of unlawful
18 operations.

19 SEC. 2. Section 595 of the Vehicle Code is amended to read:

20 595. "Terminal" is a place where a vehicle of a type listed in
21 Section 34500 is regularly garaged or maintained, or from which
22 the vehicle is operated or dispatched. "Terminal" may include a
23 private business or residence.

24 SEC. 3. Section 2525.4 of the Vehicle Code is amended to
25 read:

26 2525.4. (a) Fleet owners licensed as inspection and
27 maintenance stations shall do all of the following:

28 (1) Conduct all installations, adjustments, inspections, and
29 maintenance under the supervision of, and subject to the
30 regulations of, the department, and subject to Division 12
31 (commencing with Section 24000).

32 (2) If engaged in interstate transportation, also conduct
33 inspections and maintenance in accordance with the requirements
34 of the United States Department of Transportation.

35 (3) If operating or maintaining vehicles described in
36 ~~subdivisions (a), (b), (d), (e), (f), or (g), of Section 34500, enroll~~
37 *subdivision (a), (b), (d), (e), (f), (g), or (k) of Section 34500, enroll*
38 each licensed inspection and maintenance station for inspection by
39 the Department of the California Highway Patrol pursuant to
40 Section 34501.12 and pay the fees required by that section.

(b) Fleet owners may not certify the adjustment of lamps or brakes or the installation, inspection, repair, or servicing of motor vehicle pollution control devices or systems, except for vehicles in the owner's fleet.

SEC. 4. Section 4150.1 of the Vehicle Code is amended to read:

4150.1. (a) On a form provided by the department, the registered owner of record of a commercial motor vehicle specified in Section 34500, lessee, or the owner's designee shall certify and report the declared gross or combined gross vehicle weight of any commercial motor vehicle, singly or in combination, in excess of 10,000 pounds.

(b) A single form may be used or referenced for multiple vehicles.

SEC. 5. Section 5902 of the Vehicle Code is amended to read:

5902. Whenever any person has received as transferee a properly endorsed certificate of ownership, that person shall, within 10 days thereafter, forward the certificate with the proper transfer fee to the department and thereby make application for a transfer of registration. The certificate of ownership shall contain a space for the applicant's driver's license or identification card number, and the applicant shall furnish that number, if any, in the space provided.

SEC. 6. Section 9400.2 is added to the Vehicle Code, to read:

9400.2. Before a commercial motor vehicle subject to Section 9400.1 can be registered, the following conditions shall be satisfied:

(a) A registrant shall provide to the department satisfactory evidence, as determined by the department, that the registrant or lessee of the vehicle possesses a motor carrier of property permit if the permit is required under the Motor Carriers of Property Permit Act (Division 14.85 (commencing with Section 34600)).

(b) With regard to a commercial motor vehicle described in subdivision (a) or (b) of Section 34500 or that has a gross vehicle weight rating of 26,001 ~~or more pounds~~ *pounds or more*, the registrant or lessee of the vehicle shall provide to the department satisfactory evidence, as determined by the department, that the registrant or lessee of the vehicle is enrolled in the California Highway Patrol Motor Carrier Safety Program as required by Section 34501.12, unless otherwise indicated by the department.

1 This subdivision does not apply to a commercial motor vehicle that
2 is registered in accordance with the International Registration Plan
3 described in Section 8052 and base-plated in a state other than
4 California.

5 SEC. 7. Section 34501.12 of the Vehicle Code is amended to
6 read:

7 34501.12. (a) Notwithstanding Section 408, as used in this
8 section and Sections 34505.5 and 34505.6, “motor carrier” means
9 the registered owner of any vehicle described in subdivision (a),
10 (b), (e), (f), or (g) of Section 34500, except in the following
11 circumstances:

12 (1) The registered owner leases the vehicle to another person
13 for a term of more than four months. If the lease is for more than
14 four months, the lessee is the motor carrier.

15 (2) The registered owner operates the vehicle exclusively
16 under the authority and direction of another person. If the
17 operation is exclusively under the authority and direction of
18 another person, that other person may assume the responsibilities
19 as the motor carrier. If not so assumed, the registered owner is the
20 motor carrier. A person who assumes the motor ~~carrier~~ *carrier’s*
21 responsibilities of another pursuant to subdivision (b) shall
22 provide to that other person whose motor carrier responsibility is
23 so assumed, a completed copy of a department form documenting
24 that assumption, stating the period for which responsibility is
25 assumed, and signed by an agent of the assuming person. A legible
26 copy shall be carried in each vehicle or combination of vehicles
27 operated on the highway during the period for which responsibility
28 is assumed. That copy shall be presented upon request by any
29 authorized employee of the department. The original completed
30 departmental form documenting the assumption shall be provided
31 to the department within 30 days of the assumption. If the
32 assumption of responsibility is terminated, the person who had
33 assumed responsibility shall so notify the department in writing
34 within 30 days of the termination.

35 (b) (1) A motor carrier may combine two or more terminals for
36 purposes of the inspection required by subdivision (d) subject to
37 all of the following conditions:

38 (A) The carrier identifies to the department, in writing, each
39 terminal proposed to be included in the combination of terminals

for purposes of this subdivision prior to an inspection of the designated terminal pursuant to subdivision (d).

(B) The carrier provides the department, prior to the inspection of the designated terminal pursuant to subdivision (d), a written listing of all its vehicles of a type subject to subdivision (a), (b), (e), (f), or (g) of Section 34500 that are based at each of the terminals combined for purposes of this subdivision. The listing shall specify the number of vehicles of each type at each terminal.

(C) The carrier provides to the department at the designated terminal during the inspection all maintenance records and driver records and a representative sample of vehicles based at each of the terminals included within the combination of terminals.

(2) If the carrier fails to provide the maintenance records, driver records, and representative sample of vehicles pursuant to subparagraph (C) of paragraph (1), the department shall assign the carrier an unsatisfactory terminal rating and require a reinspection to be conducted pursuant to subdivision (h).

(3) For purposes of this subdivision, the following terms have the meanings given:

(A) “Driver records” includes pull notice system records, driver proficiency records, and driver timekeeping records.

(B) “Maintenance records” includes all required maintenance, lubrication, and repair records and drivers’ daily vehicle condition reports.

(C) “Representative sample” means the following, applied separately to the carrier’s fleet of motortrucks and truck tractors and its fleet of trailers:

Fleet Size	Representative Sample
1 or 2	All
3 to 8	3
9 to 15	4
16 to 25	6
26 to 50	9
51 to 90	14
91 or more	20

(c) Each motor carrier who, in this state, directs the operation of, or maintains, any vehicle of a type described in subdivision (a)

1 shall designate one or more terminals, as defined in Section 34515,
2 in this state where vehicles can be inspected by the department
3 pursuant to paragraph (4) of subdivision (a) of Section 34501 and
4 where vehicle inspection and maintenance records and driver
5 records will be made available for inspection.

6 (d) The department shall inspect, at least every 25 months,
7 every terminal, ~~as defined in Section 34515~~, of any motor carrier
8 who, at any time, operates any vehicle described in subdivision (a).

9 As used in this section and in Sections 34505.5 and 34505.6,
10 subdivision (f) of Section 34500 includes only those combinations
11 where the gross vehicle weight rating (GVWR) of the towing
12 vehicle exceeds 10,000 pounds, but does not include a pickup
13 truck, and subdivision (g) of Section 34500 includes only those
14 vehicles transporting hazardous material for which the display of
15 placards is required pursuant to Section 27903, a license is
16 required pursuant to Section 32000.5, or for which hazardous
17 waste transporter registration is required pursuant to Section
18 25163 of the Health and Safety Code. Historical vehicles, as
19 described in Section 5004, vehicles that display special
20 identification plates in accordance with Section 5011, implements
21 of husbandry and farm vehicles, as defined in Chapter 1
22 (commencing with Section 36000) of Division 16, and vehicles
23 owned or operated by an agency of the federal government are not
24 subject to this section or to Sections 34505.5 and 34505.6.

25 (e) (1) It is the responsibility of the motor carrier to schedule
26 with the department the inspection required by subdivision (d).
27 The motor carrier shall submit an application form supplied by the
28 department, accompanied by the required fee. The fee, which is
29 nonrefundable, is four hundred dollars (\$400) per terminal, except
30 in the case of an owner-operator, or a nonregulated motor carrier
31 who owns, leases, or otherwise operates not more than one heavy
32 power unit and not more than three towed vehicles described in
33 subdivision (a), (b), (e), (f), or (g) of Section 34500, for which the
34 fee shall be one hundred dollars (\$100). Federal, state, and local
35 public entities are exempt from the fee requirements of this
36 section.

37 (2) Except as provided in paragraph (4), the inspection term for
38 each inspected terminal of a motor carrier shall expire 25 months
39 from the date the terminal receives a satisfactory compliance
40 rating, as specified in subdivision (h). Applications and fees for

subsequent inspections shall be submitted not earlier than nine months and not later than seven months before the expiration of the motor carrier's then current inspection term. If the motor carrier has submitted the inspection application and the required accompanying fees, but the department is unable to complete the inspection within the 25-month inspection period, then no additional fee shall be required for the inspection requested in the original application.

(3) All fees collected pursuant to this subdivision shall be deposited in the Motor Vehicle Account in the State Transportation Fund. An amount equal to the fees collected shall be available for appropriation by the Legislature from the Motor Vehicle Account to the department for the purpose of conducting truck terminal inspections and for the additional roadside safety inspections required by Section 34514.

(4) To avoid the scheduling of a renewal terminal inspection pursuant to this section during a carrier's seasonal peak business periods, the current inspection term of a terminal that has paid all required fees and has been rated satisfactory in its last inspection may be reduced by not more than nine months if a written request is submitted by the carrier to the department at least four months prior to the desired inspection month, or at the time of payment of renewal inspection fees in compliance with paragraph (2), whichever date is earlier. A motor carrier may request this adjustment of the inspection term during any inspection cycle. A request made pursuant to this paragraph shall not result in a fee proration and does not relieve the carrier from the requirements of paragraph (2).

(f) It is unlawful for a motor carrier to operate any vehicle subject to this section without having submitted an inspection application and the required fees to the department as required by subdivision (e) or (h).

(g) It is unlawful for any motor carrier to operate any vehicle subject to this section after submitting an inspection application to the department, without the inspection described in subdivision (d) having been performed and a safety compliance report having been issued to the motor carrier within the 25-month inspection period or within 60 days immediately preceding the inspection period.

1 (h) (1) Any inspected terminal that receives an unsatisfactory
2 compliance rating shall be reinspected within 120 days after the
3 issuance of the unsatisfactory compliance rating.

4 (2) A terminal's first required reinspection under this
5 subdivision shall be without charge unless one or more of the
6 following is established:

7 (A) The motor carrier's operation presented an imminent
8 danger to public safety.

9 (B) The motor carrier was not in compliance with the
10 requirement to enroll all drivers in the pull notice program
11 pursuant to Section 1808.1.

12 (C) The motor carrier failed to provide all required records and
13 vehicles for a consolidated inspection pursuant to subdivision (b).

14 (3) If the unsatisfactory rating was assigned for any of the
15 reasons set forth in paragraph (2), the carrier shall submit the
16 required fee as provided in paragraph (4).

17 (4) Applications for reinspection pursuant to paragraph (3) or
18 for second and subsequent consecutive reinspections under this
19 subdivision shall be accompanied by the fee specified in paragraph
20 (1) of subdivision (e) and shall be filed within 60 days of issuance
21 of the unsatisfactory compliance rating. The reinspection fee is
22 nonrefundable.

23 (5) When a motor carrier's Motor Carrier of Property Permit or
24 *the* Public Utilities Commission operating authority is suspended
25 as a result of an unsatisfactory compliance rating, the department
26 shall conduct no reinspection until requested to do so by the
27 Department of Motor Vehicles or the Public Utilities Commission,
28 as appropriate.

29 (i) It is the intent of the Legislature that the department make
30 its best efforts to inspect terminals within the resources provided.
31 In the interest of the state, the Commissioner of the California
32 Highway Patrol may extend for a period not to exceed six months
33 the inspection terms beginning prior to July 1, 1990.

34 (j) To encourage motor carriers to attain continuous
35 satisfactory compliance ratings, the department may establish and
36 implement an incentive program consisting of the following:

37 (1) After the second consecutive satisfactory compliance rating
38 assigned to a motor carrier terminal as a result of an inspection
39 conducted pursuant to subdivision (d), and after each consecutive
40 satisfactory compliance rating thereafter, an appropriate

certificate, denoting the number of consecutive satisfactory ratings, shall be awarded to the terminal, unless the terminal has received an unsatisfactory compliance rating as a result of any inspection conducted in the interim between the consecutive inspections conducted under subdivision (d), or the motor carrier is rated unsatisfactory by the department following a controlled substances and alcohol testing program inspection. The certificate authorized under this paragraph shall not be awarded for performance in the administrative review authorized under paragraph (2). However, the certificate shall include a reference to any administrative reviews conducted during the period of consecutive satisfactory ratings.

(2) Unless the department's evaluation of the motor carrier's safety record indicates a declining level of compliance, a terminal that has attained two consecutive satisfactory compliance ratings assigned following inspections conducted pursuant to subdivision (d) is eligible for an administrative review in lieu of the next required inspection, unless the terminal has received an unsatisfactory compliance rating as a result of any inspection conducted in the interim between the consecutive inspections conducted under subdivision (d). An administrative review shall consist of all of the following:

(A) A signed request by a terminal management representative requesting the administrative review in lieu of the required inspection containing a promise to continue to maintain a satisfactory level of compliance for the next 25-month inspection term.

(B) A review with a terminal management representative of the carrier's record as contained in the department's files. If a terminal has been authorized a second consecutive administrative review, the review required under this subparagraph is optional, and may be omitted at the carrier's request.

(C) Absent any cogent reasons to the contrary, upon completion of the requirements of subparagraphs (A) and (B), the safety compliance rating assigned during the last required inspection shall be extended for 25 months.

(3) Not more than two administrative reviews may be conducted consecutively. At the completion of the 25-month inspection term following a second administrative review, a terminal inspection shall be conducted pursuant to subdivision (d).

1 If this inspection results in a satisfactory compliance rating, the
2 terminal shall again be eligible for an administrative review in lieu
3 of the next required inspection. If the succession of satisfactory
4 ratings is interrupted by any rating of other than satisfactory,
5 irrespective of the reason for the inspection, the terminal shall
6 again attain two consecutive satisfactory ratings to become
7 eligible for an administrative review.

8 (4) As a condition for receiving the administrative reviews
9 authorized under this subdivision in lieu of inspections, and in
10 order to ensure that compliance levels remain satisfactory, the
11 motor carrier shall agree to accept random, unannounced
12 inspections by the department.

13 (k) This section shall be inoperative on the date ~~specified on~~
14 *which the regulations are adopted as described* in subdivision (b)
15 of Section 34501.125, or on January 1, 2003, whichever is earlier.

16 (l) This section shall remain in effect only until January 1,
17 2003, and as of that date is repealed, unless a later enacted statute,
18 that is enacted before January 1, 2003, deletes or extends that date.

19 SEC. 8. Section 34501.12 is added to the Vehicle Code, to
20 read:

21 34501.12. (a) This section shall be known and may be cited
22 as the Motor Carrier Safety Evaluation Act of 2001.

23 (b) The department shall establish and maintain a program for
24 evaluating the safety performance of motor carriers that operate on
25 the highways of the state. The program shall be designed to
26 maximize consistency of inspection methodology and findings
27 and may use suitable information technology. The program shall
28 be known as the California Highway Patrol Motor Carrier Safety
29 Program.

30 (c) The department shall adopt regulations to implement this
31 section. The regulations shall specify, at a minimum, all of the
32 following:

33 (1) The information the department shall require from motor
34 carriers for purposes of the program. The information required
35 shall be sufficient to properly identify persons who are motor
36 carriers defined in Section 408 and carry out the requirements of
37 the program.

38 (2) The criteria upon which safety performance evaluations
39 shall be based.

1 (3) The procedures under which motor carriers shall be
2 required to enroll in the program and furnish information about
3 their operations.

4 (d) The program established pursuant to this section shall
5 consist of all of the following:

6 (1) A system capable of producing safety compliance ratings
7 representing the overall motor carrier safety performance of motor
8 carriers in the state based upon information known to the
9 department at the time the ratings are established.

10 (2) Carrier compliance ratings of “premier,” “satisfactory,”
11 “conditional,” and “unsatisfactory.” In addition, carriers that
12 have been identified, but with regard to which a rating has not been
13 assigned, shall be designated as “entry level.” The criteria for
14 determining each rating shall be adopted in the regulations of the
15 department. Those regulations shall provide for an incentive
16 program to encourage motor carriers subject to this section to
17 achieve and sustain continuous high levels of compliance.

18 (3) A process that allows the department to select the priority
19 and frequency of future inspections based upon the safety
20 performance of a motor carrier, as determined under the program.

21 (e) The department’s criteria for safety performance
22 evaluations may include, but shall not be limited to, the following:

23 (1) For intrastate motor carriers and interstate motor carriers
24 whose principal place of business is in this state, the following:

25 (A) Reportable accidents in which a vehicle specified in
26 Section 34500 is involved or the condition of a commercial motor
27 vehicle or load was identified as a causative factor.

28 (B) Records of on-highway inspections of vehicles, drivers,
29 and loads performed in the state by the department or any other law
30 enforcement agency, including the Federal Motor Carrier Safety
31 Administration, in conformance with nationally recognized
32 inspection standards.

33 (C) Records of citations of violations relating to the condition,
34 operation, maintenance, equipment, or load of any commercial
35 motor vehicle operated by the motor carrier at the time of the
36 citation.

37 (D) Records of matters inspected at the carrier’s terminals or
38 principal place of business, as established in the regulations of the
39 department.

1 (E) Other matters, as established in the regulations of the
2 department.

3 (2) For interstate motor carriers whose principal place of
4 business is outside of the state, the Federal Motor Carrier Safety
5 Administration's evaluation of the carrier's compliance with
6 controlled substance and alcohol testing of drivers.

7 (f) To enable the department to calculate rates for accidents and
8 other statistics, intrastate and interstate motor carriers shall report
9 to the department annually, the total of all miles operated on
10 highways in the state by vehicles specified in Section 34500. The
11 mileage report shall include all mileage accumulated inside the
12 state, whether on intrastate trips or the California portion of
13 interstate trips.

14 (g) The department's system for evaluating the safety
15 performance of motor carriers may be designed to continuously
16 recalculate a motor carrier's performance rating each time a new
17 item that could affect the rating is posted to the carrier's record, or
18 may be designed to recalculate the rating only at fixed times
19 specified in the regulations of the department.

20 (h) As used in this section and Sections 34505.6 and 34515,
21 "motor carrier" means any motor carrier as defined in Section
22 408, except in the following circumstances:

23 (1) The registered owner leases the vehicle to another person
24 for a term of more than four months. If the lease is for more than
25 four months, the lessee is the motor carrier.

26 (2) The registered owner operates the vehicle under the
27 interstate authority of another person. While operating under the
28 interstate authority of another person, that other person is the
29 motor carrier. A person who operates under the interstate authority
30 of another person shall comply with the vehicle marking
31 requirements of Section 390.21 of Title 49 of the Code of Federal
32 Regulations.

33 (i) As used in this section, subdivision (f) of Section 34500
34 includes only those combinations where the gross vehicle weight
35 rating of the towing vehicle exceeds 10,000 pounds, but does not
36 include a pickup truck, and subdivision (g) of Section 34500
37 includes only those vehicles transporting hazardous material for
38 which the display of placards is required pursuant to Section
39 27903, a license is required pursuant to Section 32000.5, or for
40 which hazardous waste transporter registration is required

pursuant to Section 25163 of the Health and Safety Code. Historical vehicles, as described in Section 5004, vehicles that display special identification plates in accordance with Section 5011, implements of husbandry and farm vehicles, as defined in Chapter 1 (commencing with Section 36000) of Division 16, and vehicles operated by an agency of the federal government are not subject to this section or to Section 34505.6.

(j) A terminal, as defined in Section 595, that is required to be identified under Section 34515, shall be subject to inspection by the department. Every motor carrier that operates a terminal in this state shall submit to inspection of its terminals and principal place of business by the department.

(k) A motor carrier that operates a vehicle specified in subdivision (a), (b), (e), (f), (g), or (k) of Section 34500 from a terminal in this state shall submit annually a motor carrier safety evaluation program fee. The annual fee, which is nonrefundable, is two hundred dollars (\$200) per terminal, except that a motor carrier that operates not more than one terminal, one power unit, and not more than three towed vehicles in this state shall submit an annual fee of fifty dollars (\$50). The initial fee for a new terminal is due and payable on the first day on which a vehicle referenced in this paragraph is operated from the terminal. Fees for terminals existing on the effective date of this section shall be due on a date as determined by the department. A fee is overdue 30 days after its due date, and the carrier may be cited for violation of this subdivision.

(l) All fees collected pursuant to this section shall be deposited in the Motor Vehicle Account in the State Transportation Fund. An amount equal to the fees collected shall be available for appropriation by the Legislature from the Motor Vehicle Account to the department for the purpose of administering this section.

(m) It is unlawful for any motor carrier subject to subdivision (k) to operate a vehicle specified in subdivision (k) on any public highway without having paid the required safety evaluation fee and complied with Section 34515.

(n) If a carrier's operating authority issued by the Public Utilities Commission or motor carrier of property permit issued by the department is suspended as a result of a recommendation by the department pursuant to Section 34505.6, the operating authority or permit shall not be reinstated by the suspending agency until the

1 carrier's terminal has received a rating other than unsatisfactory
2 and the carrier has satisfied all other outstanding compliance
3 issues identified by the suspending agency, and in no event until
4 any mandatory suspension period has elapsed.

5 (o) This section shall become operative on the date specified in
6 subdivision (b) of Section 34501.125, or on January 1, 2003,
7 whichever is earlier.

8 SEC. 9. Section 34501.125 is added to the Vehicle Code, to
9 read:

10 34501.125. (a) On or before January 1, 2003, the department
11 shall adopt regulations establishing a performance-based program
12 for evaluating motor carriers in this state in conformance with the
13 requirements of Section 34501.12, as added during the first year
14 of the 2001–02 Regular Session.

15 (b) Upon adoption of the regulations described in subdivision
16 (a), the department shall immediately notify the Secretary of State
17 of the date on which the regulations are adopted. The notice shall
18 state that it is being made pursuant to this section.

19 SEC. 9.5. Section 34505.1 of the Vehicle Code is amended to
20 read:

21 34505.1. (a) Upon determining that a tour bus operator has
22 either (1) failed to maintain any vehicle used in transportation for
23 compensation in a safe operating condition or to comply with the
24 Vehicle Code or with regulations contained in Title 13 of the
25 California Code of Regulations relative to motor carrier safety,
26 and, in the department's opinion, that failure presents an imminent
27 danger to public safety or constitutes ~~such~~ a consistent failure as
28 to justify a recommendation to the Public Utilities Commission or
29 the Federal Motor Carrier Safety Administration ~~or (2) failed to~~
30 ~~enroll all drivers in~~, *(2) failed to fully comply with the pull notice*
31 *system as required by Section 1808.1, and the operator continues*
32 *to employ as a driver a person against whom a disqualifying action*
33 *has been taken affecting that person's driving privilege, or (3)*
34 *allowed or permitted a driver to continue driving a commercial*
35 *motor vehicle after being notified that the driver has tested positive*
36 *for controlled substances or alcohol use, or refused to test, in*
37 *violation of the federal regulations referenced in Section 34520,*
38 the department shall recommend to the Public Utilities
39 Commission that the carrier's operating authority be suspended,
40 denied, or revoked, or to the Federal Motor Carrier Safety

Administration, that appropriate administrative action be taken against the carrier's operating authority, whichever is appropriate. For purposes of this subdivision, two consecutive unsatisfactory compliance ratings for an inspected terminal assigned because the tour bus operator failed to comply with the periodic report requirements of Section 1808.1 or the cancellation of the operator's enrollment by the Department of Motor Vehicles for nonpayment of required fees is a consistent failure. However, when recommending denial of an application for new or renewal authority, the department need not conclude that the carrier's failure presents an imminent danger to public safety or that it constitutes a consistent failure. The department need only conclude that the carrier's compliance with the safety-related matters described in paragraph (1) of subdivision (a) is sufficiently unsatisfactory to justify a recommendation for denial. The department shall retain a record, by operator, of every recommendation made pursuant to this section.

(b) Before transmitting a recommendation pursuant to subdivision (a), the department shall notify the carrier in writing of all of the following:

(1) That the department has determined that the carrier's safety record is unsatisfactory, furnishing a copy of any documentation or summary of any other evidence supporting the determination.

(2) That the determination may result in a suspension, revocation, or denial of the carrier's operating authority by the Public Utilities Commission or the Federal Motor Carrier Safety Administration.

(3) That the carrier may request a review of the determination by the department within five days of its receipt of the notice required under this subdivision. If a review is requested by the carrier, the department shall conduct and evaluate that review prior to transmitting any notification pursuant to subdivision (a).

~~SEC. 10. Section 34505.5 of the Vehicle Code is repealed.~~

SEC. 10. Section 34505.9 of the Vehicle Code is amended to read:

34505.9. (a) An ocean marine terminal that receives and dispatches intermodal chassis ~~may~~ *shall* conduct the intermodal roadability inspection program, as described in this section, in lieu of the inspection required by Section 34505.5, if the terminal meets all of the following conditions of each chassis, as follows:

~~(1) More than 1,000 chassis are based at the ocean marine terminal.~~

~~(2) The ocean marine terminal, following the two most recent consecutive inspections required by Section 34501.12, has received satisfactory compliance ratings, and the terminal has received no unsatisfactory compliance ratings as a result of any inspection conducted in the interim between the consecutive inspections conducted under Section 34501.12.~~

~~(3)~~

(1) Each intermodal chassis exiting the ocean marine terminal shall have a current decal and supporting documentation in accordance with Section 396.17 of Title 49 of the Code of Federal Regulations.

~~(4)~~

(2) The ocean marine terminal's intermodal roadability inspection program ~~consists~~ *shall consist* of all of the following:

(A) Each time an intermodal chassis is released from the ocean marine terminal, the chassis shall be inspected. The inspection shall include, but not be limited to, brake adjustment, brake system components and leaks, suspension systems, tires and wheels, vehicle connecting devices, and lights and electrical system.

(B) Each inspection shall be recorded on a daily roadability inspection report, which shall include, but not be limited to, all of the following:

(i) Positive identification of the intermodal chassis, including company identification number.

(ii) Date and nature of each inspection.

(iii) Signature of the ocean marine terminal operator or an authorized representative.

(C) Records of each inspection conducted pursuant to subparagraph (A) shall be retained for 90 days at the ocean marine terminal at which each chassis is based and shall be made available upon request by any authorized employee of the department.

(D) Defects noted on any intermodal chassis shall be repaired, and the repairs shall be recorded on the intermodal chassis maintenance file, before the intermodal chassis is released from the control of the ocean marine terminal. No vehicle subject to this section shall be operated on the highway other than to a place of repair until all defects listed during the inspection conducted

pursuant to subparagraph (A) have been corrected and attested to by the signature of the operator's authorized representative.

(E) Records of maintenance or repairs performed pursuant to the inspection in subparagraph (A) shall be maintained at the ocean marine terminal for two years and shall be made available upon request of the department. Repair records may be retained in a computer system if printouts of those records are provided to the department upon request.

(F) Individuals performing ocean marine terminal roadability inspections pursuant to this section shall be qualified, at a minimum, as set forth in Section 396.19 of Title 49 of the Code of Federal Regulations. Evidence of each inspector's qualification shall be retained by the ocean marine terminal operator for the period during which the inspector is performing intermodal roadability inspections.

(b) Following a terminal inspection in which the department determines that an operator of an ocean marine terminal ~~utilizing the intermodal roadability inspection program~~ has failed to comply with the requirements of this section, the department shall conduct a reinspection within 120 days ~~as specified in subdivision (h) of Section 34501.12. If the terminal fails the reinspection, the department shall direct the operator to comply with the requirements of Section 34505.5 until eligibility to utilize the inspection program described in this section is reestablished pursuant to subdivision (a).~~ If any inspection results in an unsatisfactory rating due to conditions presenting an imminent danger to the public safety, ~~as described in the department immediately shall forward recommendation to the Department of Motor Vehicles to suspend the carrier's motor carrier or property permit, and forward a recommendation to the Federal Motor Carrier Safety Administration for administrative or other action deemed necessary against the carrier's interstate operating authority, pursuant to Section 34505.6 or 34505.7, the department immediately shall direct the operator to comply with the requirements of Section 34505.5 until eligibility to utilize the inspection program described in this section is reestablished pursuant to subdivision (a).~~

(c) For the purposes of this section, the following definitions shall apply:

1 (1) “Intermodal chassis” means a trailer designed to carry
2 intermodal freight containers.

3 (2) “Ocean marine terminal” means a terminal, ~~as defined in~~
4 ~~Section 34515~~, located at a port facility that engages in the loading
5 and unloading of the cargo of ocean-going vessels.

6 SEC. 11. Section 34505.6 of the Vehicle Code is amended to
7 read:

8 34505.6. (a) Upon determining that a motor carrier of
9 property who is operating any vehicle described in subdivision (a),
10 (b), (e), (f), (g), or (k) of Section 34500, or any motortruck of two
11 or more axles that is more than 10,000 pounds gross vehicle weight
12 rating, on a public highway, has done any of the following, the
13 department shall recommend that the Department of Motor
14 Vehicles suspend or revoke the carrier’s motor carrier permit, or
15 for interstate operators, the department shall recommend to the
16 Federal Motor Carrier Safety Administration that appropriate
17 administrative action be taken against the carrier:

18 (1) Failed to maintain any vehicle of a type described above in
19 a safe operating condition or to comply with the Vehicle Code or
20 with applicable regulations contained in Title 13 of the California
21 Code of Regulations, and, in the department’s opinion, that failure
22 presents an imminent danger to public safety or constitutes a
23 consistent failure so as to justify a suspension or revocation of the
24 motor carrier’s motor carrier permit.

25 (2) Failed to fully comply with the pull-notice system as
26 required by Section 1808.1 and the employer has continued to
27 employ as a driver a person against whom a disqualifying action
28 has been taken affecting his or her driving privilege.

29 (3) Failed to submit any application or pay any fee required by
30 Section 34501.12 within the timeframes set forth in that section.

31 (4) Allowed or permitted a driver to continue driving a
32 commercial motor vehicle after being notified that the driver has
33 tested positive for controlled substances or alcohol use, or refused
34 to test, in violation of the federal regulations referenced in Section
35 34520.

36 (b) Upon determining that a household goods carrier, or a
37 household goods carrier transporting used office, store, or
38 institution furniture and fixtures under its household goods carrier
39 permit issued under Section 5137 of the Public Utilities Code,
40 operating any vehicle described in subdivision (a), (b), (e), (f), (g),

1 or (k) of Section 34500 on a public highway has done any of the
2 following, the department shall recommend that the Public
3 Utilities Commission deny, suspend, or revoke the carrier's
4 operating authority, or for interstate operators, the department
5 shall recommend to the Federal Motor Carrier Safety
6 Administration that appropriate administrative action be taken
7 against the carrier:

8 (1) Failed to maintain any vehicle used in transportation for
9 compensation in a safe operating condition or to comply with the
10 Vehicle Code or with applicable regulations contained in Title 13
11 of the California Code of Regulations, and, in the department's
12 opinion, that failure presents an imminent danger to public safety
13 or constitutes a consistent failure so as to justify a suspension,
14 revocation, or denial of the motor carrier's operating authority.

15 (2) Failed to fully comply with the pull-notice system as
16 required by Section 1808.1 and the employer has continued to
17 employ as a driver a person against whom a disqualifying action
18 has been taken affecting his or her driving privilege.

19 (3) Failed to submit any application or pay any fee required by
20 Section 34501.12 within the timeframes set forth in that section.

21 (4) Allowed or permitted a driver to continue driving a
22 commercial motor vehicle after being notified that the driver has
23 tested positive for controlled substances or alcohol use, or refused
24 to test, in violation of the federal regulations referenced in Section
25 34520.

26 (c) For purposes of this section, two consecutive unsatisfactory
27 compliance ratings because the motor carrier failed to enroll all
28 drivers in the pull-notice system or comply with the periodic report
29 requirements of Section 1808.1, or because of the cancellation of
30 the carrier's enrollment by the Department of Motor Vehicles for
31 the nonpayment of required fees or the failure to comply with the
32 controlled substance and alcohol testing requirements in violation
33 of the federal regulations referenced in Section 34520 is a
34 consistent failure. The department shall retain a record, by
35 operator, of every recommendation made pursuant to this section.

36 (d) Before transmitting a recommendation pursuant to
37 subdivision (a), the department shall notify the carrier in writing
38 of all of the following:

39 (1) That the department has determined that the carrier's safety
40 record or compliance with Section 1808.1 or 34501.12 is

1 unsatisfactory, furnishing a copy of any documentation or
2 summary of any other evidence supporting the determination.

3 (2) That the determination may result in a suspension,
4 revocation, or denial of the carrier's motor carrier permit by the
5 Department of Motor Vehicles, suspension, revocation, of the
6 motor carrier's operating authority by the Public Utilities
7 Commission, or administrative action by the Federal Motor
8 Carrier Safety Administration.

9 (3) That the carrier may request a review of the determination
10 by the department within five days of its receipt of the notice
11 required under this subdivision. If a review pursuant to this
12 paragraph is requested by the carrier, the department shall conduct
13 and evaluate that review prior to transmitting any notification
14 pursuant to subdivision (a) or (b).

15 (e) Upon receipt of a written recommendation from the
16 department that a motor carrier permit or operating authority be
17 suspended, revoked, or denied, the Department of Motor Vehicles
18 or Public Utilities Commission, as appropriate, shall, pending a
19 hearing in the matter pursuant to Section 34623 or appropriate
20 Public Utilities Commission authority, suspend the motor carrier
21 permit or operating authority. The written recommendation shall
22 specifically indicate compliance with subdivision (d).

23 SEC. 12. Section 34505.9 of the Vehicle Code is repealed.

24 SEC. 13. Section 34506 of the Vehicle Code is amended to
25 read:

26 34506. It is a misdemeanor to fail to comply with any rule or
27 regulation adopted by the Department of the California Highway
28 Patrol pursuant to Section 34501, 34501.5, 34508, or 34513
29 regarding any of the following:

30 (a) Hours of service of drivers.

31 (b) Hazardous material transportation.

32 (c) Schoolbus construction, design, color, equipment,
33 maintenance, or operation.

34 (d) Youth bus equipment, maintenance, or operation.

35 (e) Tour bus equipment, maintenance, or operation.

36 (f) Equipment, maintenance, or operation of any vehicle
37 described in subdivision (a), (b), (c), (d), (e), (f), (g), or (k) of
38 Section 34500.

39 (g) Equipment, maintenance, or operation of any school pupil
40 activity bus.

1 SEC. 14. Section 34507 of the Vehicle Code is amended to
2 read:

3 34507. To assist the department in enforcing the provisions of
4 this division, every vehicle that is subject to this division and to the
5 jurisdiction, control, and regulation of the Public Utilities
6 Commission or the Federal Motor Carrier Safety Administration
7 shall have displayed prominently a distinctive identifying symbol
8 as provided for in the Public Utilities Code.

9 SEC. 15. Section 34507.5 of the Vehicle Code is amended to
10 read:

11 34507.5. (a) Every motor carrier, as defined in Section 408,
12 and every motor carrier of property, and for-hire motor carrier of
13 property, as defined in Section 34601, shall obtain a carrier
14 identification number from the department. Application for a
15 carrier identification number shall be on forms furnished by the
16 department. Information provided in connection with applications
17 for carrier identification numbers shall be updated by motor
18 carriers upon request from the department.

19 (b) The carrier identification number assigned to the motor
20 carrier under whose operating authority or motor carrier permit the
21 vehicle or combination of vehicles is being operated shall be
22 displayed on both sides of each vehicle, or on both sides of at least
23 one motor vehicle in each combination of the following vehicles
24 while engaged in intrastate commerce:

25 (1) Each vehicle set forth in Section 34500.

26 (2) Any motortruck of two or more axles that is more than
27 10,000 pounds gross vehicle weight rating.

28 (3) Any other motortruck or motor vehicle used to transport
29 property for compensation.

30 (c) A vehicle or combination of vehicles listed in subdivision
31 (b) that is operated under a rental agreement with a term of not
32 more than 30 calendar days shall meet all of the following
33 requirements:

34 (1) Have displayed on both sides of each vehicle or on both
35 sides of one of the vehicles in each combination of vehicles the
36 name or trademark of the lessor.

37 (2) Have displayed on both sides of each vehicle or on both
38 sides of one of the vehicles in each combination of vehicles any of
39 the following numbers issued to the lessor:

- 1 (A) The carrier identification number issued by the United
2 States Department of Transportation.
- 3 (B) A valid operating authority number.
- 4 (C) A valid motor carrier of property number.
- 5 (3) (A) Have in the vehicle or combination of vehicles a copy
6 of the rental agreement entered into by the lessor and the vehicle
7 operator.
- 8 (B) The rental agreement shall be available for inspection
9 immediately upon the request of any authorized employee of the
10 department or any regularly employed and salaried police officer
11 or deputy sheriff.
- 12 (C) If the rented vehicle or combination of vehicles is operated
13 in conjunction with a commercial enterprise, the rental agreement
14 shall include the operator's carrier identification number or motor
15 carrier of property permit number.
- 16 (d) A vehicle or combination of vehicles that is in compliance
17 with Section 390.21 of Title 49 of the Code of Federal Regulations
18 shall be deemed to be in compliance with subdivision (c).
- 19 (e) This section does not apply to any of the following vehicles:
- 20 (1) Vehicles described in subdivision (f) of Section 34500, that
21 are operated by a private carrier as defined in subdivision (d) of
22 Section 34601, if the gross vehicle weight rating of the towing
23 vehicle is 10,000 pounds or less, or the towing vehicle is a pickup
24 truck, as defined in Section 471. This exception does not apply to
25 vehicle combinations described in subdivision (k) of Section
26 34500.
- 27 (2) Vehicles described in subdivision (g) of Section 34500, that
28 are operated by a private carrier as defined in subdivision (d) of
29 Section 34601, if the hazardous material transportation does not
30 require the display of placards pursuant to Section 27903, a license
31 pursuant to Section 32000.5, or hazardous waste hauler
32 registration pursuant to Section 25163 of the Health and Safety
33 Code.
- 34 (3) Historical vehicles, as described in Section 5004, and
35 vehicles that display special identification plates in accordance
36 with Section 5011.
- 37 (4) Implements of husbandry as defined in Chapter 1
38 (commencing with Section 36000) of Division 16.
- 39 (5) Vehicles owned or operated by an agency of the federal
40 government.

(6) Pickup trucks, as defined in Section 471, and two-axle daily rental trucks with gross vehicle weight ratings of less than 26,001 pounds, when operated in noncommercial use.

(f) Subdivision (b) does not apply to the following:

(1) Vehicles that display a valid operating authority or identification number assigned by the Federal Motor Carrier Safety Administration.

(2) Vehicles that are regulated by, and that display a valid operating authority number issued by, the Public Utilities Commission, including household goods carriers as defined in Section 5109 of the Public Utilities Code.

(3) For-hire motor carriers of passengers.

(g) The display of the carrier identification number shall be in sharp contrast to the background, and shall be of a size, shape, and color that it is readily legible during daylight hours from a distance of 50 feet.

(h) The carrier identification number for companies no longer in business, no longer operating with the same name, or no longer operating under the same operating authority, identification number, or motor carrier permit shall be removed before sale, transfer, or other disposal of any vehicle marked pursuant to this section.

SEC. 16. Section 34515 of the Vehicle Code is repealed.

SEC. 17. Section 34515 is added to the Vehicle Code, to read:

34515. A motor carrier shall report to the department, in writing, the addresses of all terminals, ~~as defined in Section 595,~~ and shall notify the department, in writing, of any change of address or cessation of regulated activity at any of the carrier's terminals. This notification shall be made within 15 days of establishing a new terminal or of any changes to existing terminals, on a form approved by the department.

SEC. 18. Section 34620 of the Vehicle Code is amended to read:

34620. (a) Except as provided in subdivision (b) and Section 34622, no motor carrier of property shall operate a commercial motor vehicle on any public highway in this state unless it has complied with Section 34507.5 and has registered with the department its carrier identification number authorized or assigned thereunder. The department shall issue a motor carrier of property permit upon the carrier's written request, compliance

1 with Sections 34507.5, 34621, 34630, and 34640, and the payment
2 of the fee required by this chapter.

3 (b) No person shall contract with, or otherwise engage the
4 services of, a motor carrier of property unless that motor carrier
5 holds a valid motor carrier of property permit issued by the
6 department. No motor carrier of property shall contract or
7 subcontract with, or otherwise engage the services of, another
8 motor carrier of property until the contracted motor carrier of
9 property provides certification in the manner prescribed by this
10 section; of compliance with subdivision (a). This certification
11 shall be completed by the contracted motor carrier of property and
12 shall include a provision requiring the contracted motor carrier of
13 property to immediately notify the person to whom they are
14 contracted if the contracted motor carrier of property's permit is
15 suspended or revoked. A copy of the contracted motor carrier of
16 property's permit shall accompany the required certificate. The
17 Department of the California Highway Patrol shall, by regulation,
18 prescribe the format for the certificate and may make available an
19 optional specific form for that purpose. The certificate, or a copy
20 thereof, shall be maintained by each involved party for the
21 duration of the contract or period of service plus two years, and
22 shall be presented for inspection at the location designated by each
23 carrier under Section 34501.10, immediately upon the request of
24 an authorized employee of the Department of the California
25 Highway Patrol.

26 (c) Motor carriers of property who were in compliance with the
27 insurance requirements of this state on the day prior to the effective
28 date of this section and continue to be in compliance with those
29 requirements may continue to operate until directed by the
30 department to obtain a motor carrier permit as required by
31 subdivision (a). The department shall require all of those carriers
32 to obtain permits pursuant to subdivision (a) on or before
33 December 31, 1998.

34 SEC. 19. Section 34621 of the Vehicle Code is amended to
35 read:

36 34621. (a) The fee required by Section 7232 of the Revenue
37 and Taxation Code shall be paid to the department upon initial
38 application for a motor carrier permit and for annual renewal.

39 (b) Every application for an original or a renewal motor carrier
40 permit shall contain all of the following information:

1 (1) The full name of the motor carrier; any fictitious name
2 under which it is doing business; address, both physical and
3 mailing; and business telephone number.

4 (2) Status as individual, partnership, owner-operator, or
5 corporation, and officers of corporation and all partners.

6 (3) Name, address, and driver's license number of
7 owner-operator.

8 (4) California carrier number, number of commercial motor
9 vehicles in fleet, interstate or intrastate operations, State Board of
10 Equalization, federal Department of Transportation or Interstate
11 Commerce Commission number, as applicable.

12 (5) Transporter or not a transporter of hazardous materials or
13 petroleum.

14 (6) Evidence of financial responsibility.

15 (7) Evidence of Workman's Compensation coverage, if
16 applicable.

17 (8) Any other information necessary to enable the department
18 to determine whether the applicant is entitled to a permit.

19 (c) On and after the date specified in subdivision (b) of Section
20 34501.125, or January 1, 2003, whichever is earlier, in addition to
21 all other requirements, the initial application for a motor carrier of
22 property permit shall be accompanied by certification from the
23 Department of the California Highway Patrol that the applicant
24 has complied with safety planning and training requirements for
25 motor carriers pursuant to regulations established by the
26 Department of the California Highway Patrol in accordance with
27 Section 34501.12.

28 SEC. 20. Section 34623 of the Vehicle Code is amended to
29 read:

30 34623. (a) The Department of the California Highway Patrol
31 has exclusive jurisdiction for the regulation of safety of operation
32 of motor carriers of property.

33 (b) The motor carrier permit of a motor carrier of property may
34 be suspended for any of the following:

35 (1) Failure to maintain any vehicle of the carrier in a safe
36 operating condition or to comply with this code or with applicable
37 regulations contained in Title 13 of the California Code of
38 Regulations, if that failure is either a consistent failure or presents
39 an imminent danger to public safety.



1 (2) Failure to fully comply with the pull-notice system as
2 required by Section 1808.1 and the employer has continued to
3 employ as a driver a person against whom a disqualifying action
4 has been taken affecting his or her driving privilege.

5 (3) Failure to submit any application or pay any fee required by
6 Section 34501.12 within the timeframes set forth in that section.

7 (4) Allowing or permitting a driver to continue driving a
8 commercial motor vehicle after being notified that the driver has
9 tested positive for controlled substance or alcohol use, or refused
10 to test, in violation of the federal regulations referenced in Section
11 34520.

12 (c) The department, pending a hearing in the matter pursuant
13 to subdivision (e), may suspend a carrier's permit.

14 (d) (1) A motor carrier whose motor carrier permit is
15 suspended pursuant to subdivision (b) may obtain a reinspection
16 of its terminal and vehicles by the Department of the California
17 Highway Patrol by submitting a written request for reinstatement
18 to the department and paying a reinstatement fee as required by
19 Section 34623.5.

20 (2) A motor carrier whose motor carrier permit is suspended for
21 failure to submit any application or to pay any fee required by
22 Section 34501.12 shall present proof of having submitted ~~such~~ *that*
23 application or have paid that fee to the Department of the
24 California Highway Patrol before applying for reinstatement of its
25 motor carrier permit.

26 (3) The department shall deposit all reinstatement fees
27 collected from motor carriers of property pursuant to this section
28 in the fund. Upon receipt of the fee, the department shall forward
29 a request to the Department of the California Highway Patrol,
30 which shall perform a reinspection within a reasonable time, or
31 shall verify receipt of the application or fee or both the application
32 and fee. Following the term of a suspension imposed under Section
33 34670, the department shall reinstate a carrier's motor carrier
34 permit suspended under subdivision (b) upon notification by the
35 Department of the California Highway Patrol that the carrier's
36 safety compliance has improved to the satisfaction of the
37 Department of the California Highway Patrol, or that the required
38 application or fees have been received by the Department of the
39 California Highway Patrol, unless the permit is suspended for
40 another reason or has been revoked.



1 (e) Whenever the department suspends the permit of any
2 carrier pursuant to subdivision (b) or paragraph (3) of subdivision
3 (h), the department shall furnish the carrier with written notice of
4 the suspension and shall provide for a hearing within a reasonable
5 time, not to exceed 21 days, after a written request is filed with the
6 department. At the hearing, the carrier shall show cause why the
7 suspension should not be continued. Following the hearing, the
8 department may terminate the suspension, continue the suspension
9 in effect, or revoke the permit. The department may revoke the
10 permit of any carrier suspended pursuant to subdivision (b) at any
11 time that is 90 days or more after its suspension if the carrier has
12 not filed a written request for a hearing with the department or has
13 failed to submit a request for reinstatement pursuant to subdivision
14 (d).

15 (f) Notwithstanding any other provision of this code, no
16 hearing shall be provided when the suspension of the motor carrier
17 permit is based solely upon the failure of the motor carrier to
18 maintain satisfactory proof of financial responsibility as required
19 by this code, or failure of the motor carrier to submit an application
20 or to pay fees required by Section 34501.12.

21 (g) A motor carrier of property may not operate a commercial
22 motor vehicle on any public highway in this state during any
23 period its motor carrier of property permit is suspended pursuant
24 to this division.

25 (h) (1) A motor carrier of property whose motor carrier permit
26 is suspended pursuant to this section or Section 34505.6, which
27 suspension is based wholly or in part on the failure of the motor
28 carrier to maintain any vehicle in safe operating condition, may not
29 lease, or otherwise allow, another motor carrier to operate the
30 vehicles of the carrier subject to the suspension, during the period
31 of the suspension.

32 (2) A motor carrier of property may not knowingly lease,
33 operate, dispatch, or otherwise utilize any vehicle from a motor
34 carrier of property whose motor carrier permit is suspended, which
35 suspension is based wholly or in part on the failure of the motor
36 carrier to maintain any vehicle in safe operating condition.

37 (3) The department may immediately suspend the motor
38 carrier permit of any motor carrier that the department determines
39 to be in violation of paragraph (2).



1 SEC. 21. Section 40000.21 of the Vehicle Code is amended to
2 read:

3 40000.21. A violation of any of the following provisions is a
4 misdemeanor, and not an infraction:

5 (a) Subdivision (a) of Section 34506, relating to the hours of
6 service of drivers.

7 (b) Subdivision (b) of Section 34506, relating to the
8 transportation of hazardous materials.

9 (c) Subdivision (c) of Section 34506, relating to schoolbuses.

10 (d) Subdivision (d) of Section 34506, relating to youth buses.

11 (e) Section 34505 or subdivision (e) of Section 34506, relating
12 to tour buses.

13 (f) Subdivision (f) of Section 34506, relating to vehicles
14 described in subdivisions (a) to (g), inclusive, and (k); of Section
15 34500.

16 (g) Subdivision (a) of Section 34501.3, relating to unlawful
17 scheduling of runs by motor carriers.

18 (h) Subdivision (g) of Section 34506, relating to school pupil
19 activity buses.

20 SEC. 22. Section 40000.22 of the Vehicle Code is amended to
21 read:

22 40000.22. (a) A violation of subdivision (e) of Section
23 34501, subdivision (f) of Section 34501.12, or subdivision (c) of
24 Section 34501.14, relating to applications for inspections, is a
25 misdemeanor and not an infraction.

26 (b) A violation of Division 14.85 (commencing with Section
27 34600), relating to motor carriers of property, is a misdemeanor
28 and not an infraction.

29 (c) This section shall be inoperative on the date specified in
30 subdivision (b) of Section 34501.125, or on January 1, 2003,
31 whichever is earlier. This section shall remain in effect only until
32 January 1, 2003, and as of that date is repealed, unless a later
33 enacted statute, that is enacted before January 1, 2003, deletes or
34 extends that date.

35 SEC. 23. Section 40000.22 is added to the Vehicle Code, to
36 read:

37 40000.22. (a) A violation of subdivision (e) of Section
38 34501, Section 34515, or subdivision (c) of Section 34501.14,
39 relating to applications for inspections, is a misdemeanor and not
40 an infraction.



1 (b) A violation of Division 14.85 (commencing with Section
2 34600), relating to motor carriers of property, is a misdemeanor
3 and not an infraction.

4 (c) This section shall become operative on the date specified in
5 subdivision (b) of Section 34501.125, or on January 1, 2003,
6 whichever is earlier.

7 SEC. 24. Section 40000.26 of the Vehicle Code is amended to
8 read:

9 40000.26. (a) A violation of subdivision (g) of Section
10 34501.12 or subdivision (d) of Section 34501.14, relating to
11 inspections, is a misdemeanor and not an infraction.

12 (b) This section shall be inoperative on the date specified in
13 subdivision (b) of Section 34501.125, or on January 1, 2003,
14 whichever is earlier. This section shall remain in effect only until
15 January 1, 2003, and as of that date is repealed, unless a later
16 enacted statute, that is enacted before January 1, 2003, deletes or
17 extends that date.

18 SEC. 25. Section 40000.26 is added to the Vehicle Code, to
19 read:

20 40000.26. (a) A violation of Section 34501.12 or subdivision
21 (d) of Section 34501.14, relating to inspections, is a misdemeanor
22 and not an infraction.

23 (b) This section shall become operative on the date specified in
24 subdivision (b) of Section 34501.125, or on January 1, 2003,
25 whichever is earlier.

26 SEC. 26. No reimbursement is required by this act pursuant
27 to Section 6 of Article XIII B of the California Constitution
28 because the only costs that may be incurred by a local agency or
29 school district will be incurred because this act creates a new crime
30 or infraction, eliminates a crime or infraction, or changes the
31 penalty for a crime or infraction, within the meaning of Section
32 17556 of the Government Code, or changes the definition of a
33 crime within the meaning of Section 6 of Article XIII B of the
34 California Constitution.

